



77216201120100100

2011

Document Code: 201

ANNUAL STATEMENT
For the Year Ending December 31, 2011
OF THE CONDITION AND AFFAIRS OF THE
McKinley Life Insurance Company

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	77216	Employer's ID Number	341624818
Organized under the Laws of	Ohio		State of Domicile or Port of Entry		Ohio	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[X]	Property/Casualty[]	Hospital, Medical & Dental Service or Indemnity[]			
	Dental Service Corporation[]	Vision Service Corporation[]	Health Maintenance Organization[]			
	Other[]	Is HMO Federally Qualified? Yes[X] No[] N/A[]				
Incorporated/Organized	08/15/1989		Commenced Business	11/01/1989		
Statutory Home Office	2600 Sixth Street SW (Street and Number)		Canton, OH 44710 (City or Town, State and Zip Code)			
Main Administrative Office	2600 Sixth Street SW Canton, OH 44710 (Street and Number)		(330)363-4057 (Area Code) (Telephone Number)			
Primary Location of Books and Records	2600 Sixth Street SW Canton, OH 44710 (Street and Number)		(330)363-4057 (Area Code) (Telephone Number)			
Internet Website Address	www.aultcare.com		(330)363-4057 (Area Code) (Telephone Number)			
Statutory Statement Contact	Jeffrey Alan Scheatzle (Name) jscheatzle@aultman.com (E-Mail Address)		(330)363-4057 (Area Code)(Telephone Number)(Extension) (330)363-5012 (Fax Number)			

OFFICERS

Name	Title
Rick L. Haines	President
William Wallace M.D.	Secretary
Mark D. Wright	Treasurer
Edward J. Roth III	Executive Vice President

OTHERS

DIRECTORS OR TRUSTEES

William Wallace M.D.	Gregory A. Haban M.D.
Christopher E. Remark	Edward J. Roth III
Rick L. Haines	Michael A. Rich M.D.
Mark D. Wright	Michael R. Gallina
John B. Humphrey Jr., M.D.	Timothy L. Hagen D.O.
Darryl J. Dillenback	Allen Rovner M.D.

State of Ohio
 County of Stark ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)
 Rick L. Haines
 (Printed Name)
 1.
 President
 (Title)

(Signature)
 William Wallace
 (Printed Name)
 2.
 Secretary
 (Title)

(Signature)
 Mark D. Wright
 (Printed Name)
 3.
 Treasurer
 (Title)

Subscribed and sworn to before me this

day of , 2012

a. Is this an original filing?
 b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 Total individuals .....	.....	.....	.....	.....	.....	.....
0299998 Premium due and unpaid not individually listed	893,259	945,672	551,005	.....	.....	2,389,936
0299999 Total group	893,259	945,672	551,005	.....	.....	2,389,936
0399999 Premiums due and unpaid from Medicare entities .....	.....	.....	.....	.....	.....	.....
0499999 Premiums due and unpaid from Medicaid entities .....	.....	.....	.....	.....	.....	.....
0599999 Accident and health premiums due and unpaid (Page 2, Line 15)	893,259	945,672	551,005	.....	.....	2,389,936

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed .....	.....	.....	.....	2,104,220	.....	2,104,220
0199999 Subtotal - Pharmaceutical Rebate Receivables .....	.....	.....	.....	2,104,220	.....	2,104,220
0299998 Claim Overpayment Receivables - Not Individually Listed	191,017	.....	.....	.....	.....	191,017
0299999 Subtotal - Claim Overpayment Receivables	191,017	.....	.....	.....	.....	191,017
0399998 Loans and Advances to Providers - Not Individually Listed .....	.....	.....	.....	.....	.....	.....
0399999 Subtotal - Loans and Advances to Providers .....	.....	.....	.....	.....	.....	.....
0499998 Capitation Arrangement Receivables - Not Individually Listed .....	.....	.....	.....	2,450,000	.....	2,450,000
0499999 Subtotal - Capitation Arrangement Receivables .....	.....	.....	.....	2,450,000	.....	2,450,000
0599998 Risk Sharing Receivables - Not Individually Listed .....	.....	.....	.....	.....	.....	.....
0599999 Subtotal - Risk Sharing Receivables .....	.....	.....	.....	.....	.....	.....
0699998 Other Receivables - Not Individually Listed .....	.....	.....	.....	.....	.....	.....
0699999 Subtotal - Other Receivables .....	.....	.....	.....	.....	.....	.....
0799999 Gross health care receivables	191,017	.....	.....	4,554,220	.....	4,745,238

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
0299999 Aggregate Accounts Not Individually Listed - Uncovered
0399999 Aggregate Accounts Not Individually Listed - Covered
0499999 Subtotals
0599999 Unreported claims and other claim reserves	41,115,317
0699999 Total Amounts Withheld
0799999 Total Claims Unpaid	41,115,317
0899999 Accrued Medical Incentive Pool and Bonus Amounts	2,693,514

21 Exhibit 5 - Amounts Due From Parent **NONE**

22 Exhibit 6 - Amounts Due to Parent **NONE**

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payments	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	33,528,963	8.546	91,419	75.506	33,528,963	.....
2. Intermediaries .....	.....	.....	.....	.....	.....	.....
3. All other providers .....	.....	.....	.....	.....	.....	.....
4. TOTAL Capitation Payments	33,528,963	8.546	91,419	75.506	33,528,963	.....
Other Payments:						
5. Fee-for-service	57,603,039	14.682	XXX	XXX	.....	57,603,039
6. Contractual fee payments	301,201,688	76.772	XXX	XXX	70,407,120	230,794,568
7. Bonus/withhold arrangements - fee-for-service .....	.....	.....	XXX	XXX	.....	.....
8. Bonus/withhold arrangements - contractual fee payments .....	.....	.....	XXX	XXX	.....	.....
9. Non-contingent salaries .....	.....	.....	XXX	XXX	.....	.....
10. Aggregate cost arrangements .....	.....	.....	XXX	XXX	.....	.....
11. All other payments .....	.....	.....	XXX	XXX	.....	.....
12. TOTAL Other Payments	358,804,726	91.454	XXX	XXX	70,407,120	288,397,607
13. TOTAL (Line 4 plus Line 12)	392,333,690	100.000	XXX	XXX	103,936,083	288,397,607

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
.....
99999999 Totals	XXX	XXX	XXX

N O N E

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment						
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. TOTAL						

N O N E



2011

Document Code: 430

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:
BUSINESS IN THE STATE OF OHIO DURING THE YEAR

NAIC Group Code 0000

NAIC Company Code 77216

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
TOTAL Members at end of:										
1. Prior Year	110,584	6,480	48,032			3,575	2,516	21,053		28,928
2. First Quarter	111,743	6,416	47,389	16		5,493	2,442	21,555		28,432
3. Second Quarter	114,964	6,410	48,074	26		7,200	2,394	21,649		29,211
4. Third Quarter	119,345	6,407	49,401	32		9,812	2,363	21,985		29,345
5. Current Year	121,075	6,390	50,095	44		10,233	2,411	22,202		29,700
6. Current Year Member Months	1,393,715	77,121	581,357	324		94,382	28,949	261,534		350,048
TOTAL Member Ambulatory Encounters for Year:										
7. Physician	300,054	17,296	146,821	30			10,441	125,466		
8. Non-Physician	926,959	42,497	372,184	114			27,038	485,126		
9. TOTAL	1,227,013	59,793	519,005	144			37,479	610,592		
10. Hospital Patient Days Incurred	45,478	985	10,927	8			1,014	32,544		
11. Number of Inpatient Admissions	8,303	215	2,502	1			175	5,410		
12. Health Premiums Written (b)	448,834,666	17,215,161	170,309,547	55,240		2,114,995	15,224,333	234,901,178		9,014,211
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	448,834,666	17,215,161	170,309,547	55,240		2,114,995	15,224,333	234,901,178		9,014,211
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	392,333,690	13,165,304	146,246,754	38,448		1,507,938	14,735,367	209,740,409		6,899,470
18. Amount Incurred for Provision of Health Care Services	402,187,805	13,541,641	149,153,050	38,448		1,507,938	15,059,216	215,359,761		7,527,752

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$....234,956,418



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR

NAIC Company Code 77216

NAIC Group Code 0000

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
TOTAL Members at end of:										
1. Prior Year	110,584	6,480	48,032			3,575	2,516	21,053		28,928
2. First Quarter	111,743	6,416	47,389	16		5,493	2,442	21,555		28,432
3. Second Quarter	114,964	6,410	48,074	26		7,200	2,394	21,649		29,211
4. Third Quarter	119,345	6,407	49,401	32		9,812	2,363	21,985		29,345
5. Current Year	121,075	6,390	50,095	44		10,233	2,411	22,202		29,700
6. Current Year Member Months	1,393,715	77,121	581,357	324		94,382	28,949	261,534		350,048
TOTAL Member Ambulatory Encounters for Year:										
7. Physician	300,054	17,296	146,821	30			10,441	125,466		
8. Non-Physician	926,959	42,497	372,184	114			27,038	485,126		
9. TOTAL	1,227,013	59,793	519,005	144			37,479	610,592		
10. Hospital Patient Days Incurred	45,478	985	10,927	8			1,014	32,544		
11. Number of Inpatient Admissions	8,303	215	2,502	1			175	5,410		
12. Health Premiums Written (b)	448,834,666	17,215,161	170,309,547	55,240		2,114,995	15,224,333	234,901,178		9,014,211
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	448,834,666	17,215,161	170,309,547	55,240		2,114,995	15,224,333	234,901,178		9,014,211
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	392,333,690	13,165,304	146,246,754	38,448		1,507,938	14,735,367	209,740,409		6,899,470
18. Amount Incurred for Provision of Health Care Services	402,187,805	13,541,641	149,153,050	38,448		1,507,938	15,059,216	215,359,761		7,527,752

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$....234,956,418

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance
			N O N E								
0999999 Total (Sum of 0399999 and 0699999)											

SCHEDULE S - PART 2**Reinsurance Recoverable on Paid and Unpaid Losses Listed by
Reinsuring Company as of December 31, Current Year**

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
0799999 Total - Life and Annuity						
Accident and Health - Non-Affiliates - U.S. Non-Affiliates						
66346	58-0828824	01/01/2009	MUNICH AMER REASSUR CO	GA	1,072	
13647	26-4662908	01/01/2010	PRESIDIO REINS CORP	MT	1,527,822	1,341,000
1199999 Subtotal - Accident and Health - Non-Affiliates - U.S. Non-Affiliates						
1399999 Total - Accident and Health - Non-Affiliates						
1499999 Total - Accident and Health						
1599999 Total U.S. (Sum of 0199999, 0499999, 0899999 and 1199999)						
1699999 Total Non-U.S. (Sum of 0299999, 0599999, 0999999 and 1299999)						
1799999 Total (Sum of 0799999 and 1499999)						

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Type	7 Premiums (estimated)	8 Unearned Premiums (estimated)	9 Reserve Credit Taken Other than for Unearned Premiums	Outstanding Surplus Relief		12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
									10 Current Year	11 Prior Year		
General Account - Authorized - Affiliates - Non-U.S. Affiliates												
93440	06-1041332	04/01/2008	HM LIFE INS CO	PA	SSL/A/I	800,744						
13647	26-4662908	01/01/2009	PRESIDIO REINS CORP	MT	SSL/A/I	9,916,552		1,341,000				
0299999	Subtotal - General Account - Authorized - Affiliates - Non-U.S. Affiliates					10,717,295		1,341,000				
0399999	Total - General Account - Authorized - Affiliates					10,717,295		1,341,000				
0799999	Total - General Account Authorized					10,717,295		1,341,000				
1499999	Total - General Account - Unauthorized											
1599999	Total - General Account - Authorized and Unauthorized					10,717,295		1,341,000				
2299999	Total - Separate Accounts - Authorized											
2999999	Total - Separate Accounts - Unauthorized											
3099999	Total - Separate Accounts - Authorized and Unauthorized											
3199999	Total U.S. (Sum of 0199999, 0499999, 0899999, 1199999, 1699993, 1999999, 2399999 and 2699999)											
3299999	Total Non-U.S. (Sum of 0299999, 0599999, 0999999, 1299999, 1799999, 2099999, 2499999 and 2799999)					10,717,295		1,341,000				
3399999	Total (Sum of 1599999 and 3099999)					10,717,295		1,341,000				

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Reserve Credit Taken	6 Paid and Unpaid Losses Recoverable (Debit)	7 Other Debits	8 Totals (Cols. 5 + 6 + 7)	9 Letters of Credit	Letter of Credit Issuing or Confirming Bank (a)			13 Trust Agreements	14 Funds Deposited by and Withheld from Reinsurers	15 Other	16 Miscellaneous Balances (Credit)	17 Sum of Cols. 9+13+14 +15+16 But Not in Excess of Col. 8
									10 American Bankers Association (ABA) Routing Number	11 Letter of Credit Code	12 Bank Name					
2599999 Total (Sum of 1599999 and 2299999)									XXX	XXX	XXX					

(a)

Code	American Bankers Association (ABA) Routing Number	N O N E me

SCHEDULE S - PART 5
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2011	2 2010	3 2009	4 2008	5 2007
A. OPERATIONS ITEMS					
1. Premiums	9,917	10,048	12,952	12,596	14,981
2. Title XVIII-Medicare	801	791	740	648	619
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. TOTAL Hospital and Medical Expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable					
8. Reinsurance recoverable on paid losses	1,529	20	1,950	4,551	5,274
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE					
(DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)					
13. Letters of credit (L)				4,966	4,768
14. Trust agreements (T)					
15. Other (O)					

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	104,680,056		104,680,056
2. Accident and health premiums due and unpaid (Line 15)	2,389,936		2,389,936
3. Amounts recoverable from reinsurers (Line 16.1)	1,528,894	(1,528,894)	
4. Net credit for ceded reinsurance	X X X	2,869,894	2,869,894
5. All other admitted assets (Balance)	13,534,989		13,534,989
6. TOTAL Assets (Line 28)	122,133,875	1,341,000	123,474,875
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	39,774,317	1,341,000	41,115,317
8. Accrued medical incentive pool and bonus payments (Line 2)	2,693,514		2,693,514
9. Premiums received in advance (Line 8)	2,695,899		2,695,899
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19)			
11. Reinsurance in unauthorized companies (Line 20)			
12. All other liabilities (Balance)	19,534,049		19,534,049
13. TOTAL Liabilities (Line 24)	64,697,779	1,341,000	66,038,779
14. TOTAL Capital and Surplus (Line 33)	57,436,096	X X X	57,436,096
15. TOTAL Liabilities, Capital and Surplus (Line 34)	122,133,875	1,341,000	123,474,875
NET CREDIT FOR CEDED REINSURANCE			
16. Claims unpaid	1,341,000		
17. Accrued medical incentive pool			
18. Premiums received in advance			
19. Reinsurance recoverable on paid losses	1,528,894		
20. Other ceded reinsurance recoverables			
21. TOTAL Ceded Reinsurance Recoverables	2,869,894		
22. Premiums receivable			
23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers			
24. Unauthorized reinsurance			
25. Other ceded reinsurance payables/offsets			
26. TOTAL Ceded Reinsurance Payables/Offsets			
27. TOTAL Net Credit for Ceded Reinsurance	2,869,894		

SCHEDULE T - PART 2
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

States, Etc.	Direct Business only					
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama (AL)
2. Alaska (AK)
3. Arizona (AZ)
4. Arkansas (AR)
5. California (CA)
6. Colorado (CO)
7. Connecticut (CT)
8. Delaware (DE)
9. District of Columbia (DC)
10. Florida (FL)
11. Georgia (GA)
12. Hawaii (HI)
13. Idaho (ID)
14. Illinois (IL)
15. Indiana (IN)
16. Iowa (IA)
17. Kansas (KS)
18. Kentucky (KY)
19. Louisiana (LA)
20. Maine (ME)
21. Maryland (MD)
22. Massachusetts (MA)
23. Michigan (MI)
24. Minnesota (MN)
25. Mississippi (MS)
26. Missouri (MO)
27. Montana (MT)
28. Nebraska (NE)
29. Nevada (NV)
30. New Hampshire (NH)
31. New Jersey (NJ)
32. New Mexico (NM)
33. New York (NY)
34. North Carolina (NC)
35. North Dakota (ND)
36. Ohio (OH)
37. Oklahoma (OK)
38. Oregon (OR)
39. Pennsylvania (PA)
40. Rhode Island (RI)
41. South Carolina (SC)
42. South Dakota (SD)
43. Tennessee (TN)
44. Texas (TX)
45. Utah (UT)
46. Vermont (VT)
47. Virginia (VA)
48. Washington (WA)
49. West Virginia (WV)
50. Wisconsin (WI)
51. Wyoming (WY)
52. American Samoa (AS)
53. Guam (GU)
54. Puerto Rico (PR)
55. U.S. Virgin Islands (VI)
56. Northern Mariana Islands (MP)
57. Canada (CN)
58. Aggregate other alien (OT)
59. TOTALS

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control Ownership, Board, Management, Attorney-in-Fact, Influence, Other	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	*
39		00000	34-1445390			Aultman Health Foundation	US	UDP	Aultman Health Foundation		Board of Directors		Aultman Health Foundation	
		00000	34-0714538			Aultman Hospital	US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		77216	34-1624818			McKinley Life Insurance Company	US	OTH	Self		Ownership	100.0	Aultman Health Foundation	
		00000	34-1488123			AultCare Corporation	US	IA	Aultman Health Foundation & Stark County Care Physicians, Inc		Other		Aultman Health Foundation	1
		00000	20-0090246			West Tuscarawas Property Management, LLC	US	DS	McKinley Life Insurance Company		Ownership	94.0	Aultman Health Foundation	
		00000	34-1795772			McKinley Life Insurance Agency, Ltd.	US	DS	McKinley Life Insurance Company		Ownership	100.0	Aultman Health Foundation	
		00000	20-4951704			Aultra Administrative Group	US	IA	AultCare Corporation		Management		Aultman Health Foundation	
		00000	27-4379962			AultComp MCO, Inc.	US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	34-1853300			Ohio Specialty Physician's Corporation	US	NIA	North Central Medical Resources		Ownership	100.0	Aultman Health Foundation	
		00000	98-0468384			McKinley Assurance Segregated Portfolio Company (SPC)	US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	20-1359433			Aultman College of Nursing and Health Sciences	US	NIA	Aultman Hospital		Ownership	100.0	Aultman Hospital	
		00000	31-1509904			Aultman MSO, Inc.	US	NIA	North Central Medical Resources		Ownership	100.0	Aultman Health Foundation	
		00000	20-8090459			The Aultman Foundation	US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	31-1509897			Ohio Physicians Professional Corporation	US	NIA	North Central Medical Resources		Ownership	100.0	Aultman Health Foundation	
		00000	34-1610344			North Central Medical Resources	US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	34-1871647			Ohio Hospital Based Physician Corporation	US	NIA	North Central Medical Resources		Ownership	100.0	Aultman Health Foundation	
		00000	31-1689698			Tuscarawas Valley Regional Cancer Center	US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	13-4246188			Acute Care Specialty Hospital at Aultman, LLC	US	NIA	Other	Ownership, Board of Directors	Ownership	50.0	Aultman Health Foundation	2
		00000	34-1243260			Canton Medical Education Foundation	US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	34-1388891			Aultman Development Institute	US	NIA	Other	Ownership, Board of Directors	Ownership	50.0	Aultman Hospital	3
		00000					US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	

Asterisk	Explanation
0000001	AultCare Corporation's governance is controlled by Aultman Health Foundation 50% and Stark Quality Care Physicians, Inc 50%, 100% of equity owned by Aultman Health Foundation
0000002	Tuscarawas Valley Regional Cancer Center is controlled by Aultman Health Foundation 50% and a non-insurance affiliate entity Union Hospital 50%
0000003	Canton Medical Education Foundation is controlled by Aultman Hospital 50% and a non-insurance affiliate entity Mercy Medical Center 50%

SCHEDULE Y
PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred Under Reinsurance Agreements	10 *	11 Any Other Material Activity not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
77216	34-1624818	MCKINLEY LIFE INS CO .....	.....	.....	.....	(2,938,556)	.....	.....	.....	9,018,504	6,079,948	.....
	34-1445390	Aultman Health Foundation .....	.....	.....	.....	1,253,258	.....	.....	.....	.....	1,253,258	.....
	34-0714538	Aultman Hospital .....	.....	.....	.....	.....	1,685,298	.....	.....	.....	.....	.....
	34-1488123	AultCare Corporation .....	.....	.....	.....	.....	.....	(9,018,504)	(7,333,206)	.....	.....	.....
9999999 Control Totals .....			.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Schedule Y Part 2 Explanation: Column 7 is expenses incurred by McKinley Life Insurance Company for management services provided by AultCare Corporation. Column 8 is expenses paid by McKinley Life Insurance Company for rent and management services provided by Aultman Health Foundation.

SUPPLEMENTAL EXHIBITS AND SCHEDULES

INTERROGATORIES

Response

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	Yes
2. Will an actuarial opinion be filed by March 1?	Yes
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	Yes
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1?	Yes

APRIL FILING

5. Will Management's Discussion and Analysis be filed by April 1?	Yes
6. Will the Supplemental Investment Risks Interrogatories be filed by April 1?	Yes
7. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	Yes

JUNE FILING

8. Will an audited financial report be filed by June 1?	Yes
9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	Yes

AUGUST FILING

10. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?	Yes
--	-----

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but it is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	Yes
12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	No
13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	No
14. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	No
15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	No
16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	No
17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	No
18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	No
19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	No
20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	No

APRIL FILING

21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	No
22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	No
23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	No
24. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	Yes
25. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?	Yes

AUGUST FILING

26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	No
--	----

Explanations:

Bar Codes:

Health Life Supplement



7721620112050000

2011

Document Code: 205

Health Property / Casualty Supplement



7721620112070000

2011

Document Code: 207

Schedule SIS



7721620114200000

2011

Document Code: 420

Actuarial Opinion on Participating and Non-Participating Policies



7721620113710000

2011

Document Code: 371

Statement of Non-Guaranteed Elements for Exhibit 5



7721620113700000

2011

Document Code: 370

Medicare Part D Coverage Supplement



7721620113650000

2011

Document Code: 365

Approval for Relief related to five-year rotation for lead Audit Partner



7721620112240000

2011

Document Code: 224

Approval for Relief related to one-year cooling off period for inde. CPA



7721620112250000

2011

Document Code: 225

Approval for Relief related to Require. for Audit Committees



7721620112260000

2011

Document Code: 226

LTC Supplemental Interrogatories



7721620113060000

2011

Document Code: 306

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

Health Life Supplement - LHA Guaranty Association Reconciliation



2011

Document Code: 211

Health Property/Casualty Supplement - Insurance Expense Exhibit



2011

Document Code: 213

Management's Report of Internal Control over Financial Reporting



2011

Document Code: 223



MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT
For The Year Ended December 31, 2011
(To be filed by March 1)
FOR THE STATE OF OHIO

NAIC Group Code: 0000

NAIC Company Code: 77216

Address (City, State and Zip Code): Canton, OH 44710

Person Completing This Exhibit: Jeffrey Alan Scheatzle

Title: Director of Finance

Telephone: (330)363-4057-

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Characteristics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 Policy Marketing Trade Name	Policies Issued Through 2008				Policies Issued in 2009, 2010, 2011			
										11 Premiums Earned	12 Amount	13 Percent of Premiums Earned	14 Number of Covered Lives	15 Premiums Earned	16 Amount	17 Percent of Premiums Earned	18 Number of Covered Lives
Total Experience on Individual Policies									PRIMETIME Choices					4,396	4,390	99.9	3
..... N/A	A .....	..... Yes .....	..... 3,4 .....	..... 06/03/2010					PRIMETIME Choices					48,707	33,632	69.0	39
..... N/A	F .....	..... Yes .....	..... 3,4 .....	..... 06/03/2010					PRIMETIME Choices					1,417	402	28.4	1
..... N/A	M .....	..... Yes .....	..... 3,4 .....	..... 06/03/2010					PRIMETIME Choices					720	24	3.3	1
..... N/A	N .....	..... Yes .....	..... 3,4 .....	..... 06/03/2010					PRIMETIME Choices					55,240	38,448	69.6	44
0199999 Total Experience on Individual Policies																	
0299999 Total Experience on Group Policies																	

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details:
2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
 - 2.1 Address:
 - 2.2 Contact Person and Phone Number:
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B)
 - 3.1 Address:
 - 3.2 Contact Person and Phone Number:
4. Explain any policies identified above as policy type "O":

Supp12 Ohio

INDEX TO HEALTH ANNUAL STATEMENT

Analysis of Operations By Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 - Enrollment By Product Type for Health Business Only	17
Exhibit 2 - Accident and Health Premiums Due and Unpaid	18
Exhibit 3 - Health Care Receivables	19
Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus	20
Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates	21
Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates	22
Exhibit 7 - Part 1 - Summary of Transactions With Providers	23
Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries	23
Exhibit 8 - Furniture, Equipment and Supplies Owned	24
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Nonadmitted Assets	16
Exhibit of Premiums, Enrollment and Utilization (State Page)	29
Five-Year Historical Data	28
General Interrogatories	26
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	25
Overflow Page For Write-ins	42
Schedule A - Part 1	E01
Schedule A - Part 2	E02
Schedule A - Part 3	E03
Schedule A - Verification Between Years	SI02
Schedule B - Part 1	E04
Schedule B - Part 2	E05
Schedule B - Part 3	E06
Schedule B - Verification Between Years	SI02
Schedule BA - Part 1	E07
Schedule BA - Part 2	E08
Schedule BA - Part 3	E09
Schedule BA - Verification Between Years	SI03
Schedule D - Part 1	E10
Schedule D - Part 1A - Section 1	SI05
Schedule D - Part 1A - Section 2	SI08
Schedule D - Part 2 - Section 1	E11
Schedule D - Part 2 - Section 2	E12
Schedule D - Part 3	E13
Schedule D - Part 4	E14
Schedule D - Part 5	E15
Schedule D - Part 6 - Section 1	E16
Schedule D - Part 6 - Section 2	E16
Schedule D - Summary By Country	SI04
Schedule D - Verification Between Years	SI03
Schedule DA - Part 1	E17
Schedule DA - Verification Between Years	SI10
Schedule DB - Part A - Section 1	E18
Schedule DB - Part A - Section 2	E19
Schedule DB - Part A - Verification Between Years	SI11
Schedule DB - Part B - Section 1	E20
Schedule DB - Part B - Section 2	E21
Schedule DB - Part B - Verification Between Years	SI11
Schedule DB - Part C - Section 1	SI12
Schedule DB - Part C - Section 2	SI13
Schedule DB - Part D	E22
Schedule DB - Verification	SI14
Schedule DL - Part 1	E23
Schedule DL - Part 2	E24
Schedule E - Part 1 - Cash	E25

INDEX TO HEALTH ANNUAL STATEMENT

Schedule E - Part 2 - Cash Equivalents	E26
Schedule E - Part 3 - Special Deposits	E27
Schedule E - Verification Between Years	SI15
Schedule S - Part 1 - Section 2	30
Schedule S - Part 2	31
Schedule S - Part 3 - Section 2	32
Schedule S - Part 4	33
Schedule S - Part 5	34
Schedule S - Part 6	35
Schedule T - Part 2 - Interstate Compact	37
Schedule T - Premiums and Other Considerations	36
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	38
Schedule Y - Part 1A - Detail of Insurance Holding Company System	39
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	40
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	41
Underwriting and Investment Exhibit - Part 1	8
Underwriting and Investment Exhibit - Part 2	9
Underwriting and Investment Exhibit - Part 2A	10
Underwriting and Investment Exhibit - Part 2B	11
Underwriting and Investment Exhibit - Part 2C	12
Underwriting and Investment Exhibit - Part 2D	13
Underwriting and Investment Exhibit - Part 3	14